

Non-GMO Food Sectors (Conventional and Organic) – What's Their Economic Significance?

Introduction

In the EU, there are two major quality production sectors that explicitly work without GMOs: the organic sector - where GMOs are banned by law - and the conventional Non-GMO sector, where food producers exclude GMOs throughout the whole value chain on a voluntary basis. This is due to the labelling gap in the EU's current GMO legislation: only GM feed is subject to GMO labelling but not related food products like milk, meat and eggs. The conventional Non-GMO sector is building the bridge to this gap – driven by retailers, it offers freedom of choice to consumers who prefer their food derived from animals to be produced without GMOs. This is a booming market segment, as illustrated by the strong Non-GMO markets in Germany and Austria. The sector brings together companies - feed and food processors, as well as retailers - that fully exclude GM feed in their products and are certified to use a Non-GMO label.

Non-GMO labelling is based on national standards – mostly state laws, partially industry agreements. It is based on higher transparency standards than required by EU law. Currently Non-GMO labelling regimes exist in Austria, Czech Republic, Germany, France, Hungary, South Tyrol, Italy, Poland, Bosnia-Herzegovina, Slovenia and Switzerland.

The conventional Non-GMO market

In the last 10-15 years, Non-GMO production has developed into a strong and successful business segment with a rapidly growing range of products labelled as Non-GMO. In 2022, the Non-GMO market recorded sales of 16 billion euros in Germany and 2.5 billion euros in Austria. The estimation for other EU markets are a further about 2 billion euros, including in France where there is a popular “sans OGM” label.



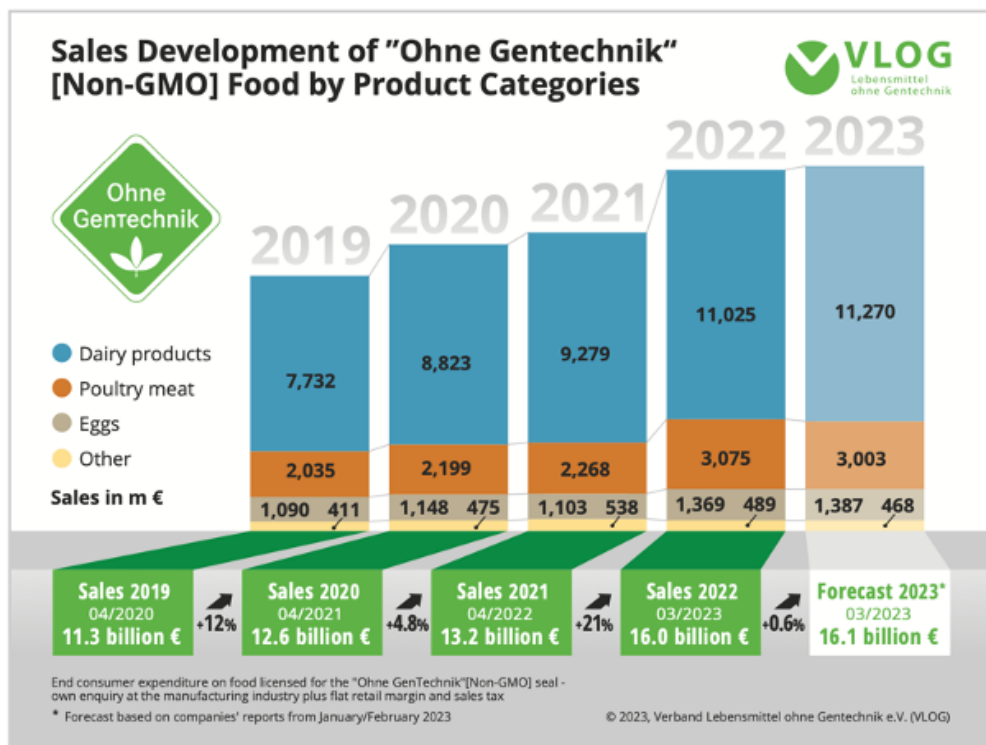


The consumer response

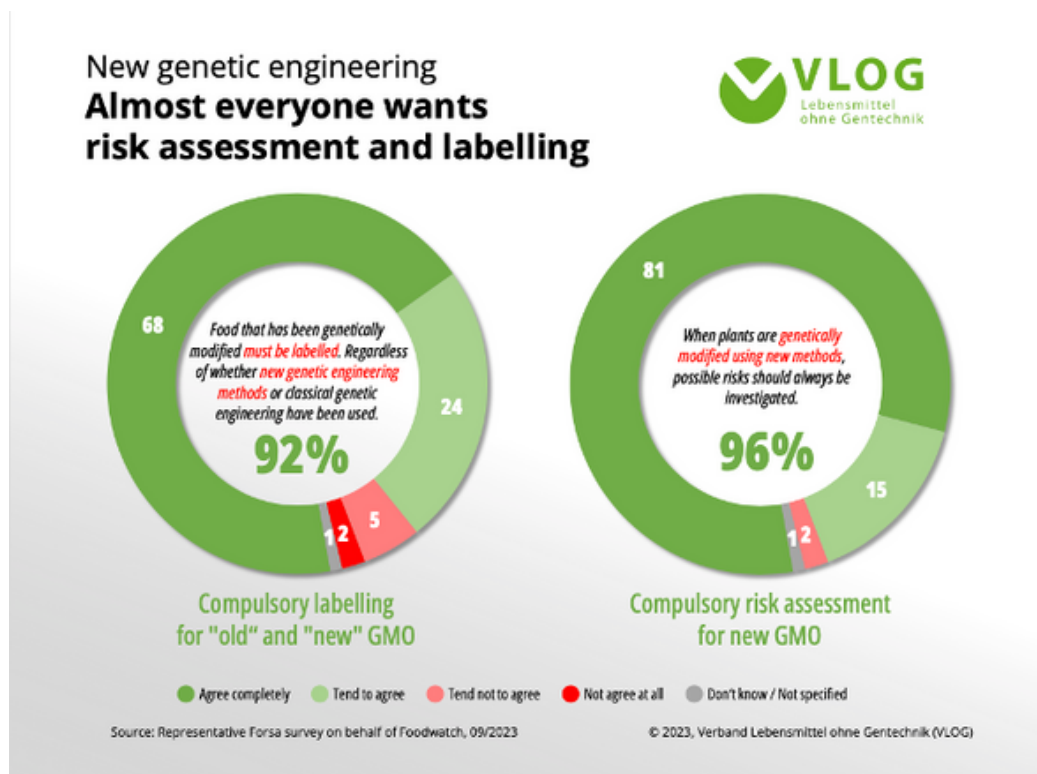
Since GMOs were introduced to EU markets in 1996, market research has shown very clearly that most European consumers do not want GMOs in their food. Accordingly, many European supermarkets established clear policies not to sell food made from GMOs, including products derived from animals fed with GMOs.

The German Non-GMO market

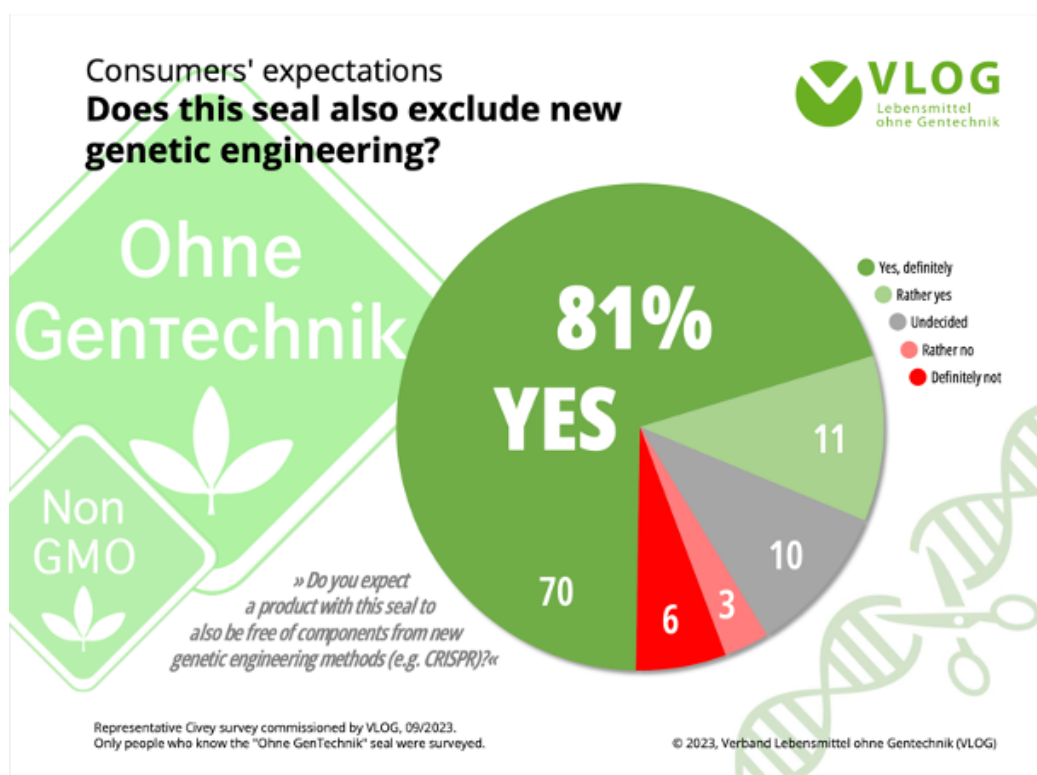
In 2022, sales of "Ohne Gentechnik" ("Without genetic engineering") products in Germany have increased by about 21 percent to almost 16 billion euros and comprising more than 15,000 products. Totaling 11 billion euros (69 percent), milk and dairy products continued to account for the largest share in 2022. Poultry products accounted for 3.1 billion euros (19 percent), eggs for 1.4 billion euros (9 percent) and other products for 0.5 billion euros (3 percent). The seal for Non-GMO products is awarded by the German Association Food Without Genetic Engineering (VLOG).



The vast majority of people in Germany want risk assessment and labelling (96 percent and 92 percent respectively) of food that has been produced with genetic engineering, whether “new” (NGTs - products made with new genomic techniques) or “old” GMOs. This is according to a very recent FoodWatch survey (September 2023).



In another very recent (September 2023) survey by VLOG, 1,162 people familiar with the "Ohne GenTechnik" label were asked whether they expect a product labelled with it to also be free of components from new genetic engineering methods such as CRISPR. A total of 81 percent of the respondents answered “yes”. 70 percent even answered with “yes, definitely”!



The Austrian market

Austria is the pioneer of Non-GMO labelling in Europe. Non-GMO is acknowledged to be a key unique selling point and quality factor for Austrian agricultural and food products. The thriving Non-GMO market comprises more than 6,500 products using the label “Ohne Gentechnik hergestellt” (“Produced without genetic engineering”). The complete milk and egg production (since 2010) and all poultry (since 2012) are “Non-GMO”. About 80% of all feed production is Non-GMO. Annual sales of Non-GMO products reached 2.5 billion euros (conventional Non-GMO) and 2 billion euros (Non-GMO organic) in 2022. The market is very varied, reaching beyond little-processed goods like meat, milk and eggs. A substantial variety of highly processed Non-GMO food and drinks have been successfully placed on the Austrian market, such as beer, spirits, pizza, fruit yoghurts, bread, noodles and various deep-frozen specialities.

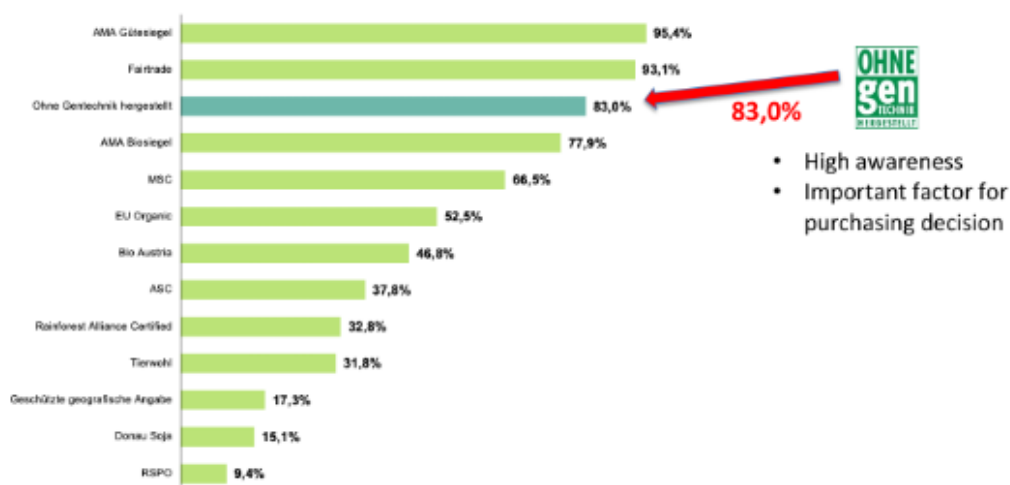
According to the government’s Action Plan for Sustainable Procurement (June 2021), in public procurement (e.g. events, canteens, public kitchens) all animals processed for dairy products, egg production and poultry production need to be fed Non-GMO. Since January 2023, 40% of pork, beef and veal need to be fed Non-GMO; after January 2025, 100% need to be fed Non-GMO.

The Non-GMO label for many years continually has been amongst the top-3 food labels in Austria as far as awareness and acceptance are concerned (2022: 83%).

High Awareness & Acceptance

Bekannte Gütesiegel aus dem Lebensmittelbereich

gestützt



9. [...] Inwieweit sind Ihnen diese Gütesymbole bekannt? || n=1.000

Market research: May 2022

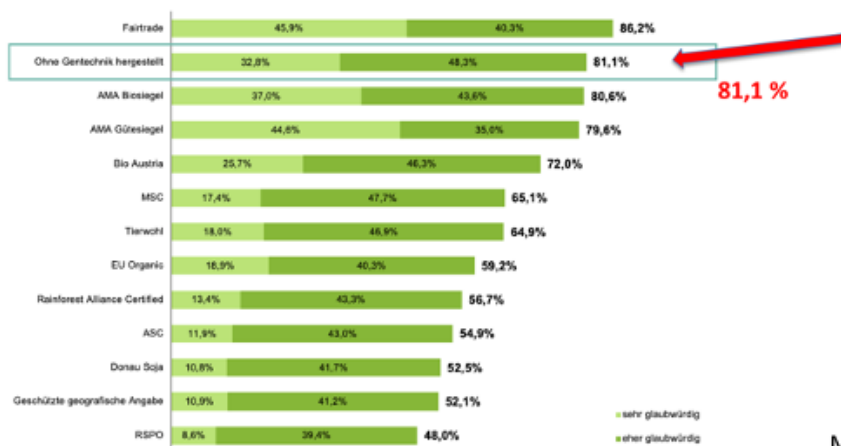
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Furthermore, due to the thorough and compulsory monitoring and certification consumers accredit high credibility to the Non-GMO label, ranking it top-3 for many years (2022: 81,1%)

Very High Credibility

Glaubwürdigkeit folgender Gütesiegel

Top-2-Box: sehr glaubwürdig / eher glaubwürdig



10. Wie glaubwürdig wirken diese Gütezeichen aus dem Lebensmittelbereich auf Sie? || n=1.000

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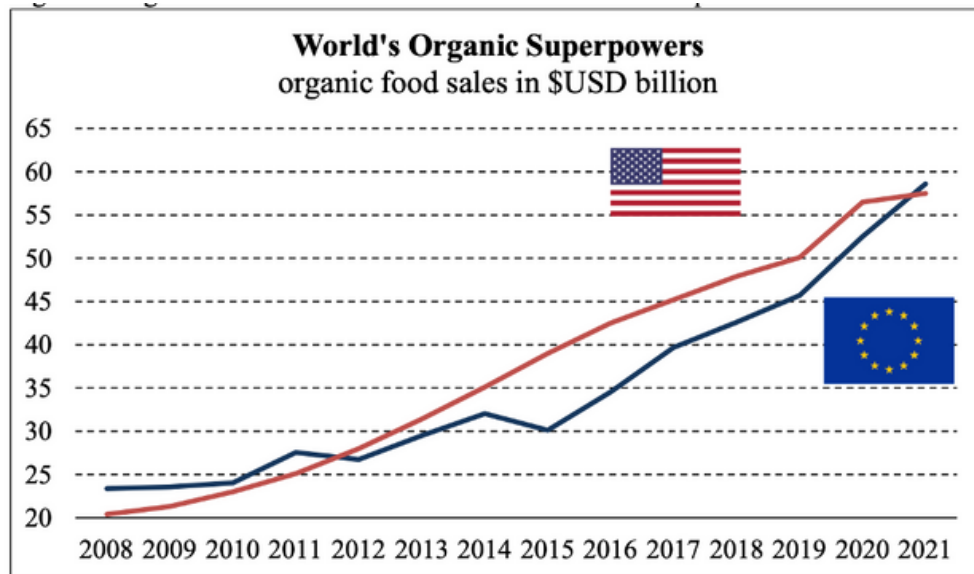
Market
research:
Mai 2022

Repeated market research during the last three years documents that Austrian consumers are very sceptical about New GMOs, with 84.5 percent requesting that products created by NGTs should continue to be labeled as "genetically modified" (marketresearch, July 2023). A similarly high proportion (83.1 percent) requests that products from NGTs should be monitored and regulated just as strictly as "old" GMOs. 73.8 percent of respondents fear that the high quality of Austrian agriculture would be jeopardised by NGTs.

The organic market

The EU's organic market is hugely significant: totalling 54.68 billion euros (58.6 billion USD) in 2021, according to the USA's Foreign Agricultural Service. When looking at the long-term, the organic market continues to grow, despite a more challenging year in 2022, because of the rise in the cost of living across Europe. It's clear that consumers are still keen to buy organic food. Organic food sales in budget supermarkets increased throughout 2022, as they gained market share in almost all European countries.

Organic food sales in the US and the EU



Source: Organic Trade Association (OTA), USDA/FAS Posts in EU-, FiBL and Agricultural Market Information Company (AMI)

The organic market: Germany

The organic food market is highly significant in Germany. Organically farmed agricultural areas in Germany cover more than 11% of the total agricultural lands. Organic farms represent 14% of all German farms. The market volume of organic food now stands at 15.3 billion euros (without out-of-home consumption.) 21,920 companies produced organic food in 2022, more than 2,000 more than in the previous year, an increase of 12%. The fact that the organic market maintained higher level of sales than in 2019 shows the importance of this market in Germany.

The organic market: Austria

The sales of organic food in Austria increased in the first half of 2023 compared to the first half of 2022: +5.8% increase in value. The organic share of sales in supermarket continues its increase in volume in 2023. Frequency of organic purchases and quantity of organic purchases per Austrian household are on a rising trend.

Produced (November 2023) with data from:



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